

Mr. Becerra asked Ms. Melvin the following question (see page 50 of unedited transcript):

**From operating expenses, how much does SSA devote to IT modernization?**

Ms. Melvin's Response:

Since 2001, SSA has reported to OMB that it has spent nearly \$11.9 billion on IT—more than \$5 billion of which has gone toward the development, modernization, and enhancement of its systems and capabilities. In this regard, the agency conducts hundreds of projects yearly that vary in level of effort, scope, and cost, and range from reengineering processes and developing new systems to enhancing and updating the functionality of existing systems. SSA's IT modernization costs, per se, are embedded in the development, modernization and enhancement (DME) category. However, the agency does not keep track of projects according to whether a project is a modernization, redesign, or enhancement and, as such, could not provide information showing what portion of DME was specifically dedicated to modernization efforts.

According to its exhibit 53 data, in fiscal year (FY) 2011, SSA spent \$693 million on IT development, modernization, and enhancement activities, which was about 44 percent of the agency's total IT spending for that year. The agency's spending on DME has varied and has been as high as 59.9 percent of the total IT spending in 2004, and as low as 30 percent in 2007, as reflected in the following chart.

Total SSA IT Spending (in millions of dollars)

FY	DME	Operations and Maintenance	Total Spending	DME as a % of total IT spending
2001*			\$691	
2002*			750.6	
2003*			726.6	
2004	\$520.1	\$348.3	868.4	59.9%
2005	526.4	500.1	1026.5	51.3%
2006	398.5	596.9	995.4	40.0%
2007	316.9	739.4	1056.3	30.0%
2008	403.7	707.5	1111.2	36.3%
2009	532.2	901.9	1434.1	37.1%
2010	815.5	811	1626.5	50.1%
2011	693	874.6	1567.6	44.2%
2012**	610.8	759.3	1370.1	44.6%

Source: GAO analysis of SSA exhibit 53 data

\*According to SSA, for fiscal year 2001, OMB did not require funding to be identified by DME or Operations and Maintenance, and for fiscal years 2002 and 2003, DME and Operations and Maintenance expenditures were only required by OMB for major projects. SSA further noted that for fiscal years 2002 and 2003, DME funding was \$244.8 and \$341.7 million respectively, and Operations and Maintenance funding was \$94.2 and \$160.9 million, respectively.

\*\*The fiscal year 2012 numbers are appropriated funds as of February 2012.

---